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House Appropriations Subcommittee on Military Construction, Veterans Affairs, and Related Agencies Holds Hearing on the Fiscal Year 2009 Budget for the Department of the Navy

EDWARDS:

Good afternoon. I want to welcome everyone to our fiscal year 2009 hearing, the military construction and family housing request for the Navy and Marine Corps.

Admiral Roughead, welcome to our committee.

ROUGHEAD:

Thank you very much for having me.

EDWARDS:

Thank you for your lifetime of service.

ROUGHEAD:

Thank you.

EDWARDS:

General Conway, welcome back to our subcommittee. It's good to have you back.

And thank you, both, and your families and all you represent for what you do for our families and our country.

This will be another banner year for Navy and Marine Corps MILCON, especially the Marine Corps. The total request is \$3.1 billion, a 41 percent increase over last year's request. For the Marine Corps alone, the request is over \$2 billion. I think it's safe to say it may be the largest MILCON budget the Marine Corps has ever requested.

Many of these increases are due to the Marines continuing efforts to add another 27,000 personnel to its permanent end strength by 2011. The total request for growing the force in FY '09 is \$1.4 billion. Much of this money would be invested in new barracks.

We want to have a series of questions and discuss a range of issues today, but before we proceed with your opening comments, I'd like to recognize our ranking member, Mr. Wamp, for any comments he'd care to make.

WAMP:

Thank you, Mr. Chairman.

And, Admiral, General, it's an honor to even be sitting here at the table with you. Appreciate very much your service to our country and the people that you represent sitting here today.

The chairman and I have a great relationship. We're off to a very good start. And I'm the new kid on the block, but I admire you, and I look forward to working with him to make sure that you have everything you need to meet the demands of today and

tomorrow, especially given the changes that we know that are underway with a ramped up force of United States Marine Corps.

I've read the background and look forward to today and then working with you in the months and years ahead to make sure that you have what you need.

We're grateful for your service, and thank you for your presence here today.

Thank you, Mr. Chairman.

EDWARDS:

Thank you, sir.

Admiral Roughead is appearing here before the subcommittee for the first time as chief of Naval Operations. Briefly, for the record, let me say that he has 35 years of active service, including six operational commands, and is a 1973 graduate of Annapolis.

He became the chief of Naval Operations on September 29, 2007 and was previously assigned as commander of Fleet Forces Command. He also served as the deputy commander of the Pacific Command, navy chief of Legislative Affairs -- we apologize you had that responsibility -- and commandant of the Naval Academy.

General James T. Conway, before our committee once again, commandant of the Marine Corps; has 38 years of service, and thank you again for that service.

He was commissioned as an infantry officer in 1970. He's been the commandant of the Marine Corps since November of 2006. He commanded the first Marine expeditionary force during two tours in Iraq. He served as president of the Marine Corps University at Quantico and commanded a battalion landing team in Desert Storm. A native of Walnut Ridge, Arkansas. Now, where's Walnut Ridge, Arkansas.

CONWAY:

It's up in the northeastern part of the state, probably closer to Jonesboro.

EDWARDS:

All right. I used to spend summers in a little town called Warren, Arkansas, pine and tomato countries.

Without objection, your formal testimony will be submitted for the record, and I'd now like to recognize you, Admiral Roughead, for any opening comments you'd care to make and then General Conway to follow.

ROUGHEAD:

Chairman Edwards, Representative Wamp, it's my honor to appear before you today, representing the dedicated sailors and civilians of our Navy who are out and about carrying out our maritime strategy and doing essential work for our nation around the globe.

For our sailors to be forward, they must be individually ready and mission ready, and shore infrastructure is essential to their success. To support our mission, our bases must have scalable, agile and adaptive capabilities for our warfighters, our ships and our aircraft.

For warfighters, that means facilities that provide innovative and relevant training. For our ships and aircraft, it means the ability to properly maintain, equip and prepare today

and tomorrow the force structure, the force laydown and the operational concepts that we're going to use.

To optimize individual readiness, shore installations must provide an environment which enables two things: A quality of work and a quality of life that our sailors and Navy civilians deserve. Maintaining quality of work means we provide our sailors and Navy civilians with the facilities and support to get the job done efficiently and effectively, such as optimized maintenance facilities, communications infrastructure and pier and airfield upgrades.

Sustaining quality of life means that we must address not only the needs of the Navy sailor and Navy civilian but those of our families as well. Those resources include quality medical facilities, fitness centers for health and physical readiness, child care facilities and housing where sailors can enjoy their time at home and the assurance of safety of their families when they are far away.

In recent years, our shore facilities deteriorated as our investments focused on field readiness. This deterioration impacts our ability to support our fleet and thereby affects our sailors' quality of work. Sailors need the piers and shore repair facilities to keep the fleet ready.

It also has a direct effect on our sailors' standard of living. Housing is a crucial element to this, but lack of available, affordable child care is consistently ranked as a top readiness and retention issue.

To address this need, we have requested funding for an additional 1,320 spaces at our child development centers and homes this year. We are grateful for your support of our public-private ventures, which satisfy critical housing needs. These and other important initiatives will improve recruiting and encourage sailors, Navy civilians and their families to stay Navy.

To recapitalize our facilities and sustain our operational requirements today and in the future, we must make the right investments and the right capabilities and services at the right installations now. Navy Installation Command has made progress by leveraging best practices and consolidating budget development. The Shore Readiness Board of Directors that I created in November, shortly after I became the chief of Naval Operations, will further allocate funds to the appropriate capabilities.

With the 2009 budget, we will have the necessary resources to maintain our readiness.

I thank you and the committee again for your time today and for your continued support of the 600,000 sailors, Navy civilians and our families.

I stand ready for your questions.

EDWARDS:

Thank you for your comments.

General Conway?

CONWAY:

Chairman Edwards and Congressman Wamp, it's my pleasure to always provide you with forthright analysis assessments here at the Marine Corps. I bear that in mind as we appear before you today.

The Marine Corps retains the mission to provide a multicapable force for our nation, the two-fisted fighter, if you will, able to destroy enemy formations with our air and

ground team in major contingencies but also able to fall back on our hard earned irregular warfare skills honed over decades of conflict.

Our magnificent patriots have been extremely effective in disrupting insurgents and the Al Qaida in the Al Anbar province. In the spirit of jointness, I would note that it's been Marines and soldiers and sailors in a composite effort over time that's brought success there.

We're still supporting a surge in Iraq, and we've already shifted from population protection to transitioning security responsibilities to Iraqi security forces, and Iraq will be stepping up to the task. While it may not be our core competency, Marines have addressed the nation-building aspects of our duties with enthusiasm and determination.

In answer to the most recent call from the secretary of defense, we're also deploying more than 3,000 Marines to Afghanistan. There, Marines will assist the joint force in either gaining or maintaining momentum there. We fall in on our expeditionary ethos of living hard and fighting well as part of an air-ground team.

We do, however, have a significant issue with our families, though the Marines are doing extremely well. Simply put, they're proud of their contributions to this war, but they're tired. We owe it to those families to put our family service programs onto a wartime footing. For too long, our programs have been borne on the backs of volunteers, perhaps acceptable during peacetime, but untenable during a protracted conflict. The Congress has been exceptionally supportive in enabling us to make good on the promise to do more.

Of course, we look forward to our obligations to the nation, and we have learned lessons in trying to build a force as we fight. We are growing our force, but it's more than just manpower. This growth requires training, infrastructure and equipment to meet the needs of our country. You've helped us meet those requirements with steady support and encouragement, and for that, we certainly thank you.

For our infrastructure, the Marine Corps has dedicated funding more than eight times our historical average -- your point earlier, sir -- for barracks and construction; however, this increase is the result of more than just our growth. For the longest time, we placed some of our operational priorities above these projects. Frankly, we put ourselves in extrimus with regards to our barracks. We now have a severe backlog of repair needs and construction requirements.

I think the photos in my written statement will provide you an appreciation of the conditions of some of our most dire barracks, some of which were built actually during the Korean War.

We are committed to providing adequate billeting for all of our existing, unmarried, junior enlisted Marines and non-commissioned officers by 2012 and for our increased end strength by 2014.

On behalf of your Marines, I extend a great appreciation for your support this year, and I thank you in advance for your efforts on behalf of our brave servicemen and women who are in harm's way.

I assure you that the Marine Corps appreciates the increasing competition for the nation's discretionary resources, and we'll continue to provide a tangible return on every dollar spent.

Thank you, Mr. Chairman.

EDWARDS:

Great.

Thank you, both.

Could I ask you, both, just for the record, what percentage of your personnel are married versus single?

ROUGHEAD:

Mr. Chairman, for us, it's in the -- I want to say in the 70 percent range. I can find you the exact number, but it really is around 70 to 80 percent. And many of them, as you know, are dual- income families, which really is the driver behind a lot of the child care initiatives and family support programs.

CONWAY:

And for us, it's much less than that. It's 40 to 45 percent.

EDWARDS:

Forty to 45 percent? OK.

One of the questions that I ask every year, and I want to establish a track record so we can trace it, is based on DOD definitions, how many personnel do you have in families living in inadequate housing and/or inadequate barracks today?

And the, General Conway, you mentioned 2012 and 2014 as the end goal for having them in housing that meet standards. Could you tell me, if you have access to that, how many personnel is living in housing or barracks that don't meet basic DOD standards? And would you define what those standards are?

ROUGHEAD:

Yes, sir. For our family quarters, the definition of inadequacy is any unit that requires over \$50,000 in repair. In the continental United States, we do not have quarters that fall into that category, but we do have quarters outside of the continental United States that are considered inadequate, specifically 46 in Guantanamo Bay, Cuba, 736 in Sasebo, Japan and six in Guam.

With regard to our single accommodations, single sailor accommodations, the requirement for us is a one-plus-one configuration for our barracks with a 90-square-foot per person square footage. At the end of this year, we will have eliminated the inadequate accommodations for our permanent party sailors.

As you know, we're working to move our E-3 and below and E-4, less than four years of service, off of our ships and provide them with a home port ashore. At the present time, I have 9,000 sailors who do not have accommodations. By the end of 2010, I'll have that number down to 2,100. That does not mean that they will be in a one- plus-one configuration. My priority is to give them an option off the ship first, and so that's what we are continuing.

EDWARDS:

Admiral, just for the record -- and this is now a DOD- wide definition of adequate family housing, not a Navy unilateral decision -- but, technically, under the definition of

adequate family housing, a family, mother and dad with two children under the age of 10, could be living in a home, say, a two or three-bedroom home, and that home might need \$49,999 worth of repairs -- a leaky roof, dishwasher and dryer don't work, floors are warped -- but for \$49,999 you could fix that home. But even if the Navy had no intention of fixing that home, that would technically be defined as adequate housing.

Not that there are that many -- I hope there are not many cases like that, but is it correct that technically that home would be defined as adequate housing, because for just \$50,000 you could fix it and it would meet standards; is that correct.

ROUGHEAD:

That would be the technical definition. It would technically be under the adequate standard.

EDWARDS:

I hope we can work with you on this. I just think for obvious reasons that standard doesn't really give the services or the Congress the data we need to figure out how many people are truly living in housing that they shouldn't be living in. But I think you told me earlier, on average, you're putting about \$8,000...

ROUGHEAD:

On average, it's about \$8,000, which I think speaks to the quality and repair of the homes that our folks are living in.

EDWARDS:

Right.

ROUGHEAD:

And also, as we spoke, the authorizations that we have been given by the Congress to pursue public-private ventures has, in my entire time in the Navy, which is, as you so kindly mentioned to be about 35 years, I have never seen our sailors live in the kind of housing as they currently are. And I believe that has been made possible through your endorsement and approval of the public-private ventures.

EDWARDS:

That's great news to hear. Thank you.
General Conway?

CONWAY:

Sure. I'll get back to you, if I can, with the exact numbers, but just to give you an overarching perspective, let me say that we do have substandard housing in both the United States and overseas for some of our families that are based there.

But I would hasten to say that we're fast overtaking those issues with the public-private ventures. By this year, we're at about 95 percent of those public-private ventures that are effective, and in another couple years it's going to be at 99 percent. And the few exceptions that we have in the United States will be conscious exceptions for valid

reasons. So this whole public-private venture concept has just been a tremendous windfall to us.

When a Marine sergeant with two children can have a 2,300-square-foot house overlooking the Pacific, you know that things are definitely looking up.

I would add that I don't know how many Marines I've talked to overseas who say that they had a level of comfort leaving their families back on the base now because it is such a nicer community and a nice place, and the family is not thinking about going home for the duration of the deployment. So it really helps reduce the consternation given the tempo that we're experiencing.

I wish I could say the same about the barracks; I cannot. We have barracks that were built well before the Korean War and World War II. I'm not proud to say that as an institution we have done this to ourselves in a very real sense, to the degree that we have taken available monies and simply not put them against the housing. We have prioritized other things ahead of housing now for a long time to the point where we are currently, as I said in the statement, feeling the stress..

Unlike the other services, we look to billet our young Marines, E-1 through E-3, in two-man quarters. After they become an NCO, then they can expect a single room with a head facility. But until that time, we think it's good for us as an institution, because we are the youngest of all the services, by far, and it's also good for the nation, because we save some monies in not asking for that single-man kind of capability.

We have a program that is built through 2012 that will take care of those billeting concerns. My predecessor finally slapped the table and said, "We have got to do something about this, the time is now," and here's a program, certainly, that's underway.

As you mentioned, sir, in your opening statement, we also funded now for some of those additional quarters we're going to have to have by 2011, 2012 as we bring new Marines onboard, those additional 27,000 Marines.

So we're not out of the woods by any stretch of the imagination, but I think, comparatively, we're much better off than we were at one time, and we see some definite lights on the horizon.

EDWARDS:

Would you have a ballpark guess as to how many barracks right now don't meet what you would consider to be standards for Marines?

CONWAY:

Sir, I would say it's probably at least half.

EDWARDS:

Half. What would that number -- in real numbers, how many barracks would that be?

CONWAY:

Sir, the program for new barracks is calling for 189, I think, so I hate to give you a rough estimation but if you're looking at essentially half of that being substandard at some point, you're...

EDWARDS:

One hundred and eighty-nine barracks?

CONWAY:

Yes, sir.

EDWARDS:

Different barracks projects?

CONWAY:

Different buildings; yes, sir.

EDWARDS:

OK. You meant in terms of the number of individual Marines that are living in barracks that we don't believe meets modern standards.

CONWAY:

Well, part of that would be a distortion because we've got so many people overseas, and so that would not be a correct detail. I can get all that for you...

EDWARDS:

Could you?

CONWAY:

... and lay out those that are deployed and not...
(CROSSTALK)

EDWARDS:

OK. If you wouldn't mind giving us the hard numbers, because I think each year we just want to compare how we're doing this year, and I think we are making progress. Everybody deserves credit for that, but if you could follow up with the hard facts, that would be great.

CONWAY:

Absolutely.

EDWARDS:

Thank you, both.
Mr. Wamp?

WAMP:

Thank you, Mr. Chairman.

Admiral, I think the chairman gives us a very good forecast on things, and I know that last year's bill and the coming budget request are favorable, but BRAC is still an issue in terms of meeting our 2011 deadline, and I know that the Navy shows in the out-years some savings that will be derived from BRAC, yet in the '08 budget request versus the

actual omnibus appropriation bill, there was a delta between the request and the final funding amount.

What does that do to your schedule? Does that put a pinch on you? And is your '09 BRAC request actually just trying to catch up with what you didn't get in '08?

ROUGHEAD:

Yes, sir. Because of the rescission, we have put in jeopardy being able to fulfill the requirement to be complete by 2011. And it actually affects two projects: One for me in Seattle, and then Jim has one in Quantico. So that's very important to us if that could be restored.

WAMP:

General, do you need to speak to that or just, "Ditto"?

CONWAY:

Pretty much the same, sir. We do have one other BRAC issue. There's only two, really, that affect us. The one that would bring together various intelligence agencies in Quantico, with BRAC already being looked at with regards to that, not the least of which is the traffic, because Quantico is a pretty busy place already.

But the other thing is that we have a facility in Kansas City that is getting ready to move from there this year down to New Orleans ostensibly, but there will need to be construction started on the federal city in New Orleans or we won't be able to go there in town. We'll wind up moving out Belle Chasse.

So both of those issues are BRAC-related and both (inaudible).

WAMP:

I'm also very interested in -- we get the previews of Pacific Command and last week had the Central Command, and your enlisted guys come through here and that's fantastic, so a little bit of overlap. Really interested in this Okinawa to Guam piece of the big transformation, and I say tongue-in-cheek, make sure that the island of Guam doesn't sink with all this construction and concrete going into it. But kind of give us an update on that from your perspective in terms of that transition because it's such a major shift, and it's a huge investment over the next five years.

CONWAY:

Yes, sir, it really is. And let me start with the investment aspect of it, sir. The reason, I think, that our government finds it so unattractive is that there's estimated to be a bill somewhere between \$10 billion and \$11 billion, and the Japanese, at this point, are signed on to pay for \$6 billion plus of that, and we'd pick up the remaining \$4 billion plus.

What it would entail is, essentially, the movement of about 8,000 Marines from Okinawa onto the island of Guam. Our major headquarters would go, the III MEF headquarters would go, as would both the wing and division headquarters.

What we consider to be, I think, earnest money is the Japanese commencing construction on what we call the Futenma Replacement Facility. The Futenma Airfield right now is in the middle of a very popular area. It wasn't when it was built, but it has grown up around there a good deal, so the Japanese want to move that facility, as a part

of the arrangement, off what we call Camp Schwab on the island, and they are in the process of, again, doing their own environmental aspects of that construction.

We had come up on a mild problem -- we hope it will be mild -- and that is the discovery of a little mammal called dugong, which lives in the coral off of Camp Schwab. Now, the Japanese are aware it's there, and they're not concerned about it, because there are tens of thousands of other dugongs elsewhere. It's actually one of our courts in the United States that has said that the department did not give the dugong proper consideration in arriving at our negotiations with the Japanese. So although we don't have a halt work, we do have some judicial issues that we've got to get over.

In terms of our spending, sir, and in terms of what's taking place on Guam, until such time as the Japanese start to build, we are only in the planning phase. My commander in the Pacific, Lieutenant General John Goodman, is looking at developing training opportunities. The Navy's looking at reinforcing that with some interconnectors, both high-speed vessels and perhaps some amphibs.

We look at establishing some training bases around the Pacific region that will help us with engagement but also help to get the Marines off the island. I think you indicated it's very small, and there's not a lot of training opportunity there, so it concerns us some that our forward forces would be fully trained and ready for whatever might happen.

But I would simply finish, I think, by saying, we are not going to be spending much of any money until such time as we see, again, proper investment on the part of the Japanese that would tell us that their series of governments now agree with it and support it.

WAMP:

General, a question in this round. Last week, we heard about the need for Marines in Afghanistan from Admiral Fallon. You're at 184,000 in 2007 -- 184,000 on your ramp up, I think. What we can look for in 2008 in terms of your continued recruitment of these new Marines that are needed in the future?

CONWAY:

Sir, we actually exceeded -- our goal was 184,000. We actually beat that by a couple of thousand. We think we can do that again this year based on every indication thus far. We think that we can be as high as 194,000 Marines based on this year's efforts. Our recruiters are just doing magnificent work out there.

And, of course, I think you know that we are building those units first that are most highly stressed. And we've built a couple of infantry battalions. There's a third one that will be in the rotation soon. Other units, MPs, engineers, intelligence folks, we're trying to build those units to the greatest level of OPTEMPO (operational tempo to help with the requirements such as Afghanistan.

WAMP:

Well, a week ago, Friday, my nephew graduated from boot camp at Parris Island, so my family is doing our part to help you all.

CONWAY:

We'll take care of him for you.

WAMP:

Thank you, sir.

I yield back.

EDWARDS:

Thank you.

As I recognize Mr. Farr, could I just follow up on the BRAC question, and you can have your staff submit it in writing, a couple page summary of the negative impacts. You didn't get any of the -- \$933 million, as I recall, was the amount that we used for other priorities, including veterans' health care, and we need to try to substitute all of it or the vast majority of that. If you could give us, in writing, what the real consequences are of the issues you discussed, that would be helpful.

Mr. Farr?

FARR:

Thank you very much, Mr. Chairman.

I want to commend both of you for your outstanding service. We're really proud that both of you command our resources with such great capacity that you do.

I want to just mention, General, that I represent the Defense Language Institute, and I'm...

EDWARDS:

You do?

(LAUGHTER)

You've done a great, great job.

FARR:

It's all I ever talk about here, that and the naval (inaudible).

It's just fascinating to walk in and see those classes in (inaudible) and whatever language of the moment. They're small classes, but the young people that are in there, in a school command, which is under Army Command, TRADOC Command, only tells me that the first people to come on a new language are the Marines. They call up and say, "We're sending seven Marines here to learn (inaudible)," and they say, "We'll be ready for them," and hang up the phone and say, "We'd better start (inaudible) class; we don't have it." And by the time the students get there, they have one set up. It's amazing.

And I want to just tell both of you, because I really -- the Defense Department is wonderful. We passed, last week, a crisis corps for the State Department and USAID to be able to pull in the most talented people that are in our civilian inventory to match your talent in the military, so the states can all come together in a single command with training, not defense training, but civilian and operations training. I think the Senate is going to pass this bill. The president wants it badly, and you really ought to help him.

CONWAY:

You need it badly.

FARR:

I appreciate your testimony, Admiral, about the bringing together this Navy Installations Command, the idea of getting one stop for running installations. What you and I talked about on the phone, the problem is you say we leverage the best practices and successes of individual installations as we provide shore operations support on a regional level.

And the idea is that the best practices can all be brought into one common command like you pointed out was a response to the fires in California. The problem is that a lot of these installations are much alike, but, as you know, the Naval Post-Graduate School is different. It's an academic institution.

You're going to go out and discuss with the school, I know, because you only have to address the graduating class, but I hope you get into that issue and where that doesn't follow through, where just small micro decisions don't get done or the delays are so long. Because it is a real problem for operating that school.

I also wanted to ask you, you said as we execute our '09 budget, we'll abide by the following principles. First was aggressively identify and eliminate infrastructure identified as excess capacity. Hasn't it always been done internally when you got prepared for the last BRAC round? Do you have a lot of that information or they didn't go into excess capacity?

ROUGHEAD:

Actually, Mr. Farr, if I could just start with the NTS. Coincidentally, Dan Oliver happened to be in the building yesterday and he and I sat down for about a half an hour and talked about the school and also some of the things that I'll be able to engage in when I go out there.

But I would say, one of the things that has become apparent to me since becoming CNO about five months ago is that -- and you point to an aspect of how we are managing and resourcing our shore installations -- is that we still, even though our Installations Command manages the regions, within those regions, we still have other activities under different commands that are in there.

And what we are doing is beginning to, still under Installations Command, but bringing in all of the issues of all of the participants and then looking at, what is the best approach given the different real tenets that exist there, and how do we make sure that we're covering and providing the types of services to meet the needs of all the various activities that may be in there. So I think that is going to help, getting to the point that you raised.

The other aspect is that as we go into the development of the fiscal year '10 budget, to be able to look at what I consider the three key institutions of learning and development in our Navy, and those are: Where we begin, which is the Naval Academy, where we then enhance and advance the academic qualifications, which is the Naval Post Graduate School, and then the Naval War College, where we then add the higher levels of operational art and strategic thinking to our officer corps.

And in that '10 budget, to look at how are we allowing the tide to lift all boats, if you will. So that's something that I'm very interested in doing.

FARR:

Good. Good.

ROUGHEAD:

With regard to the excess infrastructure, yes, we did get ready for that on BRAC, but I travel around a bit. I commanded the Pacific fleet, and then I had the privilege of then coming east and commanding the Atlantic fleet. And we have a lot of bases, and sometimes to clear my head I go for runs around the bases, and I'll run by a building that is vacant and not being maintained or by some pier space that is not being used and is beginning to fall down and creating problems.

So that's the type of excess infrastructure that I'm talking about, not necessarily closing bases but how do we really get the infrastructure within our bases and within our structures, that which we don't need and it's either in disrepair and becomes a hazard or doesn't reflect well on the Navy. What should we do to get rid of that? And then also on those bases how do we make sure that we have the right type of infrastructure to the mission?

FARR:

Well, I applaud you for doing that. I would also -- because you mentioned the academic institutions that you have, what I've learned is that there's also excess capacity within those classrooms, and there's a demand out there that's usually in the civilian section, other federal employees or, in some cases, those private sector that we work with. And I think that that's one thing that the military has got to look at also is where can we get a better bang for the buck? Can we invite these in?

It's not like applying to a regular public or private university. This is space available where there is a decision made by the command that this will be an appropriate kind of person to have in the classroom. Because I think you can get a better bang for your buck. You may have some title 10 restrictions on that, but we may need to make some exceptions to those in the modern era.

ROUGHEAD:

I think, for example, our chief of Naval Research estimates that we have a need for about 400 engineers a year, civilian engineers. And if there's capacity, for example, at the post-graduate school, he's an advocate of being able to bring those civilians in. I would say, as you mentioned, perhaps there needs to be some legislative relief, but, also, I believe those who are sending those for that engineering degree need to kick into the pot as well.

FARR:

Well, as we do in the IMET Program, we could do the same thing for civilian IMET.

EDWARDS:

Thank you.

Mr. Berry?

BERRY:

I wanted to thank you, gentlemen, for your service and all you do for this country. I don't have any questions.

EDWARDS:

Thank you. He's the smartest one on the subcommittee.

(LAUGHTER)

Mr. Crenshaw?

CRENSHAW:

Well, I've got a couple of questions.

Welcome back, General, and, Admiral, it's great to have you in front of the subcommittee.

Admiral, as you probably know, I've had a lot of discussion with senior Navy officials about dispersing our assets, including your predecessor, Admiral Mullen. And as you know, right now, on the East Coast, all our nuclear carriers, which soon will be all the carriers we have, are home ported in Norfolk, and when you look at dispersing assets, both nuclear and non-nuclear, that's a lot of eggs in one basket. I think there's six big amphibs as well in Norfolk.

And then you look at the fact that on the West Coast, the Pacific fleet, we've got, I guess, six carriers and, counting Japan, you've got three different home ports.

So you haven't been before the subcommittee before, and I'd like to hear you talk a little bit about your view, what your perspective is on this whole issue of dispersal of assets, particularly in today's world of terrorism and all the kinds of things. You know, it brings back memories of Pearl Harbor. But I'd appreciate your perspective.

ROUGHEAD:

Yes, sir. And thank you for that question, sir, because it leads to something that I charged my staff to do shortly after I became CNO, and that was for us to take a look at what I call our force laydown. Where do we have the ships, where do we have the airplanes, what's the command structure that we have in place, and do we have it in the right place? Does it best serve our response requirements? Does it best serve the presence requirements that we may be called upon to perform globally? And are we able to support our people in a way that they're the most competent and then their quality of life is as good as we can make it? So I have my staff working on that.

As you know, we also have about ready to be put out for public comment the environmental impact statement, specifically focused on the base in Mayport and the 13 options of the different force packages that we could put down there. That will be out for public comment with a decision to be made by the secretary in January of next year.

So I believe that when those two things come together, it will really inform us as to, do we have the laydown rights and to be able to base that decision on a strategic underpinning of it's the best thing for the country and for the Navy if we position our forces in this way. And I look forward to getting that from my staff. I'm very interested in doing the same in the Pacific as well.

As General Conway mentioned, with his moving Marines there, what do we in the Navy have to change to be able to support the missions that the Navy and Marine Corps have to be performing in the next couple of decades?

CRENSHAW:

You mentioned the environmental impact study. As I understand it, there's a preliminary report that is supposed to be made public this Friday. Is that still the plan?

ROUGHEAD:

Well, my understanding, Mr. Crenshaw, is we're on track to release it here very, very soon, and I'm not aware of any issue that will be an impediment to that.

CRENSHAW:

And as you may know, last year, this subcommittee added language to the omnibus appropriations bill that said that the Navy would -- as soon as the preliminary report is released, then the Navy would do a study of just how much it would cost in terms of dredging and in terms of multi-construction if this environmental impact study, which is about Mayport, once that was completed, there would be a study to say, "These are the costs that would be involved to make the upgrades to make Mayport capable of home porting a carrier."

Are you aware of that, and are they getting ready to -- I think it was a 30-day timeframe to begin that study. Is that on track? I mean, once -- is that still...

ROUGHEAD:

Yes, sir. What would be the dredging cost and impact in the basin to take it down to a depth, and that process will go forward.

CRENSHAW:

And any other military construction. Because there's been a lot of non-nuclear upgrades done in Mayport...

ROUGHEAD:

Right.

CRENSHAW:

... but I think everything else -- just last question, Mr. Chairman, and I don't presume to know what the EIS study is going to show or what the Navy is going to decide, but a couple of hypothetical questions: If the decision were made to home port a nuclear carrier at Mayport, obviously you'd have to have the dredging done, but some of the military construction projects, like the nuclear facility, I think it's called a nuclear maintenance facility, would it necessarily have to be in place if a carrier came and wasn't due for an availability for a couple of years?

Would it be within reason to say, once we've done the warp upgrades and the dredging upgrades, some of the military construction that might be nuclear-specific would need to be in place, not necessarily the day that the home port was announced but certainly in a reasonable time to do any availability.

I mean, that's a hypothetical question, but, in general, is that precedent, I mean, when you home port a carrier other than times when not everything is in place that doesn't need to be in place until availability takes place.

ROUGHEAD:

As you said, Mr. Crenshaw, that's kind of a hypothetical question, but we, as a matter of routine, have not home ported nuclear carriers in very many places. I can say that the work that we're doing, for example, to prepare the George Washington's arrival into Japan, the work that we will have done there will be able to support the maintenance availability.

As you know, in the Northwest, we have a nuclear certified shipyard. San Diego already has the infrastructure for nuclear aircraft carriers and submarines, and then, of course, Norfolk has significant nuclear repair and maintenance capabilities there. So that's kind of new ground that we're plowing, and we have to look at that very, very carefully and the type of support that would be required.

CRENSHAW:

Got you. I mean, the dredging, obviously, and any kind of warp upgrades, but if there was something that was controlled maintenance facility that took a year to build that wasn't going to be needed, that might -- again, that's hypothetical, it's in the realm of possibility.

ROUGHEAD:

Sure, but I also would say that it's very important because of very, very high standards that we place on the safety of our nuclear-powered warship that we really have to make sure that the requirement facilities are in place because of the safety issues that are involved.

CRENSHAW:

Thank you, Mr. Chairman.

EDWARDS:

Thank you, Mr. Crenshaw.
Mr. Kennedy?

KENNEDY:

Thank you, Mr. Chairman.
Admiral Roughead, thank you very much for your service.
General Conway, thank you for your service.

I wanted to ask, sort of, military construction, first on that. With respect to housing, I know the chairman was mentioning it earlier, but I wanted to ask for your input on it, because it seems to be the big challenge in terms of moving to further accommodate our junior enlisted members with their barrack situations, and the move toward the privatization has been successful where it's been done.

And, certainly, dealing with our operation and maintenance budget, this has been a program that's been quite successful. And yet because change is involved, there's

obviously been a lot of reticence in the Pentagon to move very quickly toward expanding it all too far and wide.

But I was wondering whether you could comment on your perspectives on it, given the fact that so far out there it's provided a pretty good method of providing quality housing for our soldiers, sailors, airmen, Marines and Coast Guardsmen, and yet it's certainly got a lot of potential for further application. And what you see is that application, and I know the Navy's done a great deal with it. Do you think we can expand it to some of our junior enlisted for their barracks?

ROUGHEAD:

Yes, sir. You will have to look far and wide to find a stronger proponent of public-private venture housing and barracks.

I have seen the quality of life of our sailors increase dramatically since we moved into that program. Personally, I'm about to ready to move into my own fourth PPV house, and I think it's a great success for us.

Most recently, I was struck during a visit in San Diego with the new Pacific Beacon PPV venture. I would move in there tomorrow myself, because it really is not only a wonderful facility but it provides the types of services that young men and women expect when they come into the Navy, and we are able to do that through PPV.

I would encourage continued use of the PPV for not only our married sailors but also for single sailors and the authorizations that we have in place for the three single sailor PPVs,--San Diego, Norfolk and Mayport -- but then to see if we could ride on the authorizations in San Diego should we be able to expand that single sailor PPV. In other words, I'd like to see the authorizations that we already have in place to be the authorizations that allow us to expand it in the future. It is wonderful, and it's a huge difference in quality of life for our people.

CONWAY:

Sir, we are watching it carefully. The concern that we have has to do with occupancy rates.

KENNEDY:

Right.

CONWAY:

And as we much as we deploy and as much as we're forward based right now, we're concerned that we could build something that would then be unfair to the owners and unfair to the Marines...

KENNEDY:

Right.

CONWAY:

... in terms of the payment arrangements.

So we're watching the Navy experiment very closely. I think there is the potential there for better quality of life. There is the potential that maybe our supporting establishment, our bases who are not expected to deploy, could live in something like that.

KENNEDY:

Right.

CONWAY:

But those are determinations we're going to have to make and I think probably maybe even before this year is out.

KENNEDY:

Well, we certainly look forward as a committee to work with you and see that quality housing comes to every single person wearing a uniform.

Admiral Roughead, while you're here, if you could comment on the issue of DDG-1000 and what we see in the future as far as (inaudible) and application of this, kind of, one-size-fits-all command and control that we've managed to finally put in place now, these new systems, command and control that we're off and running on but yet, obviously, we're facing this initial bow wave of costs, and people may look at that and say we should redo this all over again when all the work has been done to set us off in this course.

What your feeling? I know Admiral Mullen was very much a part of the initial move to get this going.

ROUGHEAD:

Well, I'm pleased that in the last couple of weeks we've been able to put two of the DDG-1000s on a contract and begin moving forward with that ship. Because unlike previous ships, and particularly combatants, that we've built in the past, where we would introduce, perhaps, two new technologies, the DDG-1000 has 10 that we're moving forward.

The one that I believe is critically important, has the technology that has allowed us to increase our staff, I think that what we will derive from the DDG-1000 is we'll clearly shape the future of how we build the follow-on, for example, the cruiser follow-on, but getting these ships going that will allow us to put those technologies into play and then from that I believe that then just feed future programs.

KENNEDY:

Well, that's encouraging to hear. Obviously, a lot of constraints in our capital budget for shipbuilding and so forth, but this is obviously a big program, and we want to make sure we don't stumble as we get started, because it's been an investment we've made for years, and it's just about to pay off, so you've got to keep going.

Thank you.

EDWARDS:

Thank you.

Judge Carter?

CARTER:

Thank you, Mr. Chairman.

Thank you, both, for being here. I apologize for being late. Way too much stuff going on here.

It's my understanding the Marine Corps has expressed a real desire to increase the family services support for the Marines and their family members, especially those folks who are coming back from being deployed and while they are deployed. How does this budget help to meet that goal?

CONWAY:

Sir, our family services programs for years has relied on virtually next to nothing, \$5 million a year in the budget for family programs. Now, to contrast that, we were spending \$50 million a year on our Semper Fit programs for our Marines and \$50 million more for college education programs, assistance programs, if you will.

So comparing the bases, you can see right away that we didn't have it right. We relied on the backs of volunteers to do most of the heavy work, and perhaps in peacetime that gets you through, but that certainly doesn't get you through a protracted conflict like this.

So we recently decided to reprogram about \$30 million of our own monies in order to be able to put more against the requirement that we saw through our family services program and then probably two weeks after that I walked in to see the deputy secretary of defense, Gordon England, on something entirely different, and he asked me, could we use -- could the Marine Corps use \$100 million of GWOT monies in order to be able to really jumpstart this family program.

The Army was going to get six or seven times that, although a lot of theirs was associated with some level of MILCON (military construction) and that wasn't our intent. But he said it seemed like a fair apportionment, and if I could spend it -- I assured him we could -- that it would be likely in fact and would really be appreciated.

CARTER:

And is this budget addressing those needs and as we continue down the road to approve these family services, are we sending it to them and do we even know how we want to go forward? Because I think this committee wants those family services to be there for our Marines.

CONWAY:

Sure. My officer, my three-star general who works the programs and resources, said to me just the other day what you just said, that we're creating a level of expectation here to meet a dependent need. But we are going to need to get some of this, I think, into the top line. He doesn't think that even with the, perhaps, GWOT money this year and next that we can sustain even the efforts with \$30 million over the course of future years. So he feels like we are going to have to ask for more in that context to be able to support our families.

CARTER:

Well, I think we will certainly want to hear about that as it comes down the pike.

Now, it's my understanding that the Marine Corps has been pretty successful in the growing the force project; kind of ahead of schedule.

CONWAY:

We're being incredibly successful, and I attribute that to the great young Americans out there who want to fight for their country. They, I think, have that expectation when they join the Marine Corps.

CARTER:

Well, of course, as we do this, we want to make sure that we're adequately providing facilities and barracks and all the other things as we grow the force, because I think all of us see the necessity to grow the force across the board is very important.

CONWAY:

Yes, sir.

CARTER:

And as you've said, and others have said, these are family folks that are fighting wars for us these days, and we have to provide this privatization in housing that we've been talking about and other things. We need to stay ahead of the curve, not playing catch up. This is my personal opinion. I think that makes a better Corps, it makes a better fighting force.

CONWAY:

I agree with you.

CARTER:

And so I'm hopeful that you will highlight these things in this budget and other budgets to come, as we move down this line and growing the force so that when we put these Marines into fight, we also are giving them the services and the lifestyle when they get home.

CONWAY:

Sir, we project that we're going to see \$4.6 billion go into the top line in '09, and it's about that same amount on through 2012. Now, there is this concern that we've got that because of our success that we're seeing, with the additional 2,000 last year and what we think will be an additional 2,000 this year, we're getting a little bit ahead of our planning curve.

CARTER:

That's kind of why I asked the question.

CONWAY:

But, again, my three-star general who managed that thing is very good, and I think he's doing some visitations and some of those types of things to make sure that we are resourcing even as we are planning forward.

CARTER:

Well, I just wanted to express my concern.

Thank you, Mr. Chairman.

EDWARDS:

Thank you. And let me just ditto that Judge Carter speaks for all of us in saying this subcommittee wants to stay firmly committed to and focused on improving quality of life for families. No one is more aware than the two of you and the sacrifices that children are making and the spouses are making.

That leads me to my question. For the record, could each of you submit how many child care centers would be needed to meet 100 percent of the need? And also same question, vis-a-vis youth activity centers.

CONWAY:

Yes, sir.

EDWARDS:

And I'd also, to talk about here, I'd like to ask you about inflation. I don't know if in your MILCON planning process it's changed, but in years past OMB dictated a 2.4 percent inflation package per year for military construction, which, frankly, we all know doesn't even meet the laugh test in the Pacific Northwest, the Southeast, other parts of the country and the world.

Are you still having to operate under that assumption? Are you allowed within the Pentagon planning process to make more realistic assumptions about inflation in the out-years?

ROUGHEAD:

Well, Mr. Chairman, I mean, there's no question that inflation is having an effect on what we're able to build and how quickly we're able to build it. I would see it, and my staff engineer would reluctantly come in and tell me about the growth and how it was kind of pricing us out. But we do follow the templates that are provided. We plan the projects, but we are feeling the tension with inflation. I mean, the growth in some of the countries around the world in things like steel and the demands for cement and what have you is producing an inflation pressure.

EDWARDS:

Right. Does OMB still demand that you use a 2.4 percent inflation factor?

ROUGHEAD:

In our burgeoning process, yes, sir, we follow the standard.

EDWARDS:

So that basically means the second, third, fourth and fifth years FYDP are underestimated relative to the true cost of construction.

ROUGHEAD:

If the predictions are accurate.

EDWARDS:

Right.

General Conway?

CONWAY:

I will say I just went to St. Louis this last week for a presentation, and I saw my brother-in-law there who's in construction. He said that raw materials are down, and we talked about it some. He said it runs sideways but, generally, it's the Northeastern, so your concern is still correct, sir, but it's seasonal, it's regional and runs sideways. So a lot of variables in all of that.

EDWARDS:

OK. Maybe I'll finish not with a question but just a comment to get this on the record. There has been discussion about seeing that all individually listed projects be put in the statute, not in the report language of our appropriations bill. It has a certain ring with the public, want to hide this in the report language.

The report language is out there to the public and the press to see anyway, but given you have unexpected inflation in some parts of the country, if we put these projects in the statute, then no longer can we and the Senate subcommittee approve reprogramming to move money from one project where one installation will say it came in under budget.

And under the present system, you ask us to move that money to another project where in the Pacific Northwest you're facing maybe a 15 percent inflation rate per year. And in order to please the public out there, we put all this in the statute. We will no longer have that authority.

So I say that for the record. I'm not asking you -- I don't want to get you crossways with anybody proposing that as a policy, but if that is to be the case for the '09 appropriation bills, we need to think seriously about how we give you the flexibility to be able to handle that.

You could end up with a project that's 90 percent completed, the day care centers or barracks, but you can't complete it for an entire year, because we can't sign our name on the letter and give you that reprogramming authority. So I hope we'll keep that on the table as we move forward this year.

Mr. Wamp?

WAMP:

Mr. Chairman, thank you.

Admiral, we were fascinated with Admiral Fallon's testimony last week, some of which we can't talk about, but I think AFRICOM proposal on the table, investments in Djibouti, I think, in your budget request of \$31 million. For a non-permanent facility, that's getting into some real money, and we know that there's more to follow, but you talk about securing the maritime assets. What do you foresee there? What will your role be?

ROUGHEAD:

Yes, sir. With regard to AFRICOM, we're in the process of providing the manpower to man the staff that's taking place and thinking through what the right command relationships are for my naval commandant commander and supporting General Ward and the work that he's going to do down there. We've already had more activity on the African continent in the last couple of years than probably in the previous couple of decades.

But with regard to Djibouti, I do believe that Djibouti will be a point of presence for quite some time. As you know, we have a lease there, and I think that there will be presence. It's a critical area and a critical fight that we're involved in. So the improvements that are making there are to enable the joint force -- and it's not just sailors but Marines, Army and Air Force -- to be able to better perform their missions that I think are important in that very critical area of the world.

WAMP:

Let me ask you all both a question about joint basing. I flew back from China and other ends of the world with Whip Clyburn in January, and we stopped at Hickam, he hadn't been there before. But I remember when chief enlisted men came in here. The Air Force really has a beef with joint basing. From your perspectives, where is the joint basing process right now?

ROUGHEAD:

I'll speak from some experience out in the Pacific, because I've had responsibility for Pearl Harbor, and, as you know, Pearl and Hickam are together. Also, looking out toward Guam. I think at the local level, we've had some good efforts by the commanders in doing these tabletop exercises that allow us to identify where are some of the issues would be and how we work our way through the bases. Particularly, I think it's important to never lose sight of what the missions of those bases are and can we support that.

OSD has recently issued some guidance that the services are taking aboard and working our way through. I do believe that there are some efficiencies and benefits to the joint basing process, but each base is going to be different, and it's a function of mission, it's a function of population, it's a function of the location, where it is. And so I don't believe that one size fits all and that we have to look very hard at that.

Where we are in trying to prejudge what the standards of living or the core levels will be, I think it's a little premature to determine whether somebody's going to win or lose. I think we have to work our way through it. We have to keep in mind that the objective is to provide the right mission support for whatever that joint base is there to do and also to provide the quality of life for our people, whether they be single or married.

WAMP:

General Conway?

CONWAY:

Sir, I was just thinking as the CNO was talking, we have very few of our bases that are joint in any way. Probably the closest you come to it is on Okinawa where we share some

facilities there. And as you were saying, I think all those factors play, as well as, sort of, the personalities of the local commanders and how well they're able to coordinate. Because it's essentially at that level where joint basing takes place.

Now, I think in the future it's going to be more driven with us. We're going to be on Guam with Air Force, with Navy and, most recently, even some Army will be there, and I think we'll look at Guam as one big base in some ways.

And, of course, the Joint Strike Fighter, some of the noise factors and so forth, some of the closing of certain bases, the enhancements of others, we may see it more. But I still tend to think it will be pretty much a local type of thing as opposed to something of a service headquarters or even DOD.

WAMP:

General Conway, in closing for my questions, Mr. Chairman, a new guy like me wanted to see some real needs in housing and child care and then even see some things that showed the past and the future of the Marine Corps. I think your master sergeant recommended Camp Pendleton. Would you say the same thing, that would be a good place to go to see, kind of, where we've been and where we need to go?

CONWAY:

Sir, there are places -- yes. If you wanted to see it all, the whole spectrum, Camp Pendleton is probably the place to go. If you wanted to see it at its worst, I'm not sure that Camp Pendleton and our major bases aren't the first to make some fairly major strides forward.

What I've experienced in my travels about the Corps in just over a year now is that at some of our secondary bases and stations they really need the most help. When we sent out word on what the needs were for this \$100 million and how it should be allocated and assigned out, our secondary bases and stations were the people that really needed help at that point, as opposed to Pendleton, Lejeune or even being (inaudible).

But I think Pendleton is still the best.

WAMP:

Thank you, sir.

Thank you, Mr. Chairman.

EDWARDS:

Thank you, Mr. Wamp.

Mr. Crenshaw?

CRENSHAW:

Thank you, Mr. Chairman.

General Conway, let me ask you a little bit about Blount Island. A lot of hard work went into changing that from a lease facility now to be owned by the Department of Defense, and some exciting things are happening there. There are some security challenges, there are some organizational challenges, but it seems that's all been -- as I understand it, there's going to be a master plan coming from the Marines.

And then can you share with us a little bit about that, and how it's -- are there any infrastructure needs that are going to be part of that? The new ship is going to be part of that. Is it going to change anything that we need to do with Blount Island? Can you, kind of, just give us an overview of that?

CONWAY:

Yes, sir, I can. Blount Island is absolutely critical to us, because even as we speak, they've got one of our MPS, maritime prepositioning squadrons, in a rehab kind of role, and they do marvelous work offloading the ships and starting the equipment and getting everything back up to speed.

When we offloaded that equipment in 2003, about 95 percent of it was just ready to go. So they do marvelous work between them and squadrons, and so therefore it's an absolutely critical facility to us and what we do for the nation.

There are 10 major projects that need to be managed to turn into it the facility that we'd like to be and to keep it doing what it's going now for the long term. That comes to a total of something around the order of \$150 million to \$155 million that at this point is essentially on our unfunded list. We don't have the money ready and available to do the things that the commander and his boss -- we regionalized all the bases and stations. He works for the major general overall, but both the commander there and General Williams agree that these are exactly the things that we need to do to bring it up to, kind of, a world class kind of facility.

So we're going to work hard to try to find that money in the future to, again, keep the general (inaudible) for us.

CRENSHAW:

Great.

This one may be, Admiral, more for you. It was mentioned about the bachelor housing, and I think it was originally going to be San Diego and Norfolk and Bremerton and now Mayport is kind of in that mix.

Just a couple of kind of specific, and I don't know if you have all the details, but as I understand it, it depends on whether those facilities are going to be on the base or off the base. I think in San Diego they're on the base -- no, they're off the base, and then in Norfolk, on the base. And issues about, like, in Mayport it would be on the base, and then there's some issue about when you sell land, a private entity, on a military base, you need to have some sort of easement, egress and ingress, that kind of thing.

Do you know much about -- I mean, I'd be curious to know how it's going because some of the housing that was kind of geared toward the basic housing allowance, and you've got kind of an income strain where the developer could come in and say, "Well, I know the money is coming in," but when you've got some of these younger sailors that probably don't have a basic housing allowance, how does that impact a developer when he says, "I'm going to build a facility." He doesn't really have any guaranteed income stream.

Are those questions that you're familiar with? Anybody that could talk about those things?

ROUGHEAD:

Yes, sir. I think with that, I wouldn't even begin to get into the easement laws and what have you on that, but as you pointed out, the models are different, and I think that's what's important as we go in and put in the type of accommodations for sailors, is to look again specifically at the installation, where can it best be placed? And in the case of San Diego, it is off, but there's very easy access.

So I think each one has to be looked at and we'll see how the -- with regard to the public-private for single sailors, there is BAH that's provided, and that's why -- you know, it's not a free lunch, because even though the private contractor picked it up, that now creates a manpower bill because of what we're doing.

But it's clear to me that the contractors that are involved and meeting with them seem to be pretty optimistic about the future. I think it's important that the facilities that we build are properly sized for the fleet that we expect to be there for some time so that we don't get into a period where there is vacancy. So all those go into the mix, and I think the two that we have in place now are moving ahead, and that's why I'm very interested in the third one.

CRENSHAW:

Are they actually in place? You've got people living there now?

ROUGHEAD:

Well, in San Diego we have sailors living in a converted building, the Pacific Beacon, which is the four-tower complex that's being built. It's still under construction but moving ahead very, very rapidly. And the quality of work, the quality of the rooms -- every room in those four towers that a sailor will live in looks out on San Diego Bay. Not many people who live in San Diego can see that.

CRENSHAW:

Probably a pretty good recruiting tool. I know I've seen the married housing out in San Diego, and, I'll tell you, it's just magnificent.

But I wonder, with the single sailors, would there ever be, or have you thought about, issues about discipline and just kind of cohesion? Because if you're on a ship, obviously, you're there all the time, and if you're out somewhere, are those things that you've heard complaints or has there been discussion about how...

ROUGHEAD:

Mr. Crenshaw, so far it's gone very well, and I give the credit to our young men and women who live there. When you give them a quality place to live, they'll take care of it. And the contractor has an interest in maintaining it so that their maintenance costs are down.

I would also say that one of the things that struck me about the effort that we have on the way in San Diego is the way the contractor has worked with other providers -- phone providers, Internet providers -- that really are tailored to the types of schedules that our sailors are on. So that, if for example, they get called away on a mission, that they're not penalized with trying to terminate a service before they leave.

And that's why I think it's really a program that is providing quality of life for our people that is very important, and it's going to be very important to attract young men and

women into (inaudible) but I think all the Air Force. If they come in and they see a great place to live with the types of things that are part of their life today, the kind that could meet with friends and family that's so important to them, that's huge, and I really appreciate your support and everything you've done to make that possible.

KENNEDY:

If I could add, I've heard stories where the contractors actually give a smaller stipend to some of the dorm, if you'd say, or some of the guys that are going to be the, kind of, watch out for everyone else on the floor, and in exchange they pay half the rent in order to keep everyone else, kind of, in line. And its like those kinds of informal bargains that they make with...

CRENSHAW:

It's like a hall monitor.
(LAUGHTER)

KENNEDY:

Hall monitor. That kind of stuff they've figured out works.

CRENSHAW:

One quick question: I was looking at this, Admiral, the right places. It's a chart that shows some East Coast and it talks about the possible home port of the LCS and DDX. It shows a possible home port at Norfolk, and like other places, it doesn't say possible home port. Has any decision been made about that?

ROUGHEAD:

No, sir. That's what I have my staff working on now is to go out and look at where do we want the capabilities and the capacity to the numbers to be for the world that we envision in the next few decades. It's trying to look into the crystal ball and then saying, "We believe the capability that we're going to need."

CRENSHAW:

So you could have put possible home port in other places.

ROUGHEAD:

Yes, absolutely.

CRENSHAW:

Just checking. Thank you.

EDWARDS:

Mr. Kennedy?

KENNEDY:

Just looking forward to having you up to the Newport, Rhode Island war college. We've got huge transitions as a result of BRAC, as you know, a lot of MILCON issues

because of the absorption there for the Marines that are coming up, 700, from supply school, and we're doing the best we can absorbing them all. But for 40 years there wasn't an anticipation there that that would be necessarily the place for quite the hub of activity that's going to be now for the next 50.

I knew the war college would always be there as an anchor, but as far as everything else, the surface warfare and the naval undersea warfare, NAFs and everything else. That was never quite a guarantee. So all those old buildings, I mean, we've still got (inaudible) our sailors are living in and buildings that are vintage World War II, so we're going to be working to try to bring that up to snuff. That's our challenge, so we'll be working with you to try to do that.

ROUGHEAD:

Thank you, and thank you for your support. The war college has just continued to do great work, not just in our operational and strategic thinking and putting in place some new courses of instruction that are important to our future but also really expanding nationally. They're doing some really good things, and thank you for your support.

KENNEDY:

Thanks.

EDWARDS:

Mr. Carter?

CARTER:

I guess I've got one last question. It just seems like they've recently changed the rules for having incremental funding for large MILCON projects. How does that affect each of your service's planning, both currently and in the future, as you look down the road, how are we going to plan these large MILCON projects?

ROUGHEAD:

Yes, sir. It is somewhat out of step in that we fully fund and then when it's incrementally funded and the change is made to incrementally fund, that's money that we no longer have available, so in subsequent years we have to go ahead and reprogram the other increment. So it's one that, I believe, of reconciliation of how we budget and move forward would be very helpful to us, and I think we would be able to benefit greatly if that were to happen.

CONWAY:

Same is true, sir, for our Corps. I think it is true across the Department of the Navy. It caught us a little unaware. We would like to counter back, if you will, and see if we can get some things changed.

CARTER:

Yes. It seems troublesome to me.

Thank you, Mr. Chairman. That is all.

EDWARDS:

Okay. I will just quickly ask one question. A number of others will submit, if we can get their answer in writing.

But vis-a-vis Guantanamo, in this budget, there is a request for \$63 million for new family housing and \$21 million for a new fitness center. I don't know who the next president is going to be, and I don't know what our policy is going to be regarding the detainees in Guantanamo. Without getting into that debate, would you make this request even if the policy were to be not to continue keeping the detainees in Guantanamo?

ROUGHEAD:

Yes, sir, I would, because, to circle back around, I think that our interests in the Caribbean are significant. The amount of infrastructure, particularly the energy infrastructure in the Gulf of Mexico, and what we have on Guantanamo and the folks that we have there, I do believe these investments are worth it for the Navy.

EDWARDS:

I saw that housing down there last year. It is pretty questionable.

Mr. Wamp?

WAMP:

I am through, Mr. Chairman. Thank you.

EDWARDS:

Mr. Kennedy?

Mr. Crenshaw?

Well, if not, on behalf of the entire committee, let me thank you for your service to our country and for being here today.

Thank you.

The hearing is adjourned.

CQ Transcriptions, March 11, 2008

List of Panel Members and Witnesses

PANEL MEMBERS:

REP. CHET EDWARDS, D-TEXAS CHAIRMAN

REP. SAM FARR, D-CALIF.

REP. NORM DICKS, D-WASH.

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REP. JOHN CARTER, R-TEXAS

REP. KAY GRANGER, R-TEXAS

REP. JERRY LEWIS, R-CALIF. EX OFFICIO

WITNESSES:

ADMIRAL GARY ROUGHEAD (USN), CHIEF OF NAVAL OPERATIONS

GENERAL JAMES T. CONWAY (USMC), COMMANDANT OF THE MARINE
CORPS